

HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

July 27, 2001

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Partial Termination of Security Agreement dated as of May 9, 2001 ("Partial Termination"), by Fleet National Bank ("Fleet"), as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, Helm Financial Corporation and Helm Locomotive Leasing Corporation (collectively, "Helm")

Dear Mr. Williams:

On behalf of Helm Financial Corporation, I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Four (4) fully-executed originals of the above-referenced Partial Termination.

In connection with the recording of the Partial Termination, please note the following information:

Name and Address of Helm: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Name and Address of Fleet: Fleet National Bank
Transportation Division
100 Federal Street
Boston, MA 02110

Equipment: 1 open top hopper railcar
KCS 211245

Please record this Partial Termination as a supplemental agreement to STB Recordation No. 23168 filed on October 18, 2000 at 2:43 PM. The filing fee of \$28.00 is included in our enclosed Check No. 46006 in the amount of \$84.00.

Summary: Partial Termination of Security Agreement dated as of May 9, 2001, by Fleet National Bank, a national banking association ("Fleet") as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, a California corporation, Helm Financial Corporation, at California corporation and Helm Locomotive Leasing Corporation, a California corporation (collectively, "Helm"), for 1 open top hopper railcar, KCS 211245, to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,


Sharon L. Van Fossan
Supervisor Contract Administration

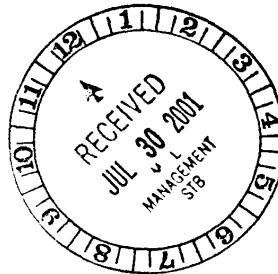
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Enclosures (4)

RECORDATION NO. 23168-Y FILED

AUG 3 01 12-30 PM
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fleet termination\acalht.stb

SURFACE TRANSPORTATION BOARD



**PARTIAL TERMINATION OF
SECURITY AGREEMENT**

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of May 9, 2001, by **FLEET NATIONAL BANK**, a national banking association ("**Fleet**") as the Agent for the Lenders (as defined in the Credit Agreement described below), for the benefit of **HELM HOLDING CORPORATION**, a California corporation, **HELM FINANCIAL CORPORATION**, a California corporation and **HELM LOCOMOTIVE LEASING CORPORATION**, a California corporation (collectively, "**Helm**").

1. **Recitals.** Helm owns the rail equipment bearing the Association of American Railroad reporting mark and number as described in Exhibit A attached hereto (the "**Unit**"). Helm has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "**Collateral**"), to Fleet upon the terms and conditions provided in that certain Security Agreement dated as of October 18, 2000, between Helm and Fleet (the "**Security Agreement**") as filed with the Surface Transportation Board of the Department of Transportation ("**STB**") on October 18, 2000 at 2:43 P.M. under Recordation No. 23168. The Security Agreement was executed in connection with that certain Revolving Credit and Term Loan Agreement dated as of October 18, 2000, among the Borrowers, Lenders and Agent as defined therein (the "**Credit Agreement**").

Helm intends to sell the Unit to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Unit and requests Fleet to terminate its lien and security interest in the Unit.

2. **Consent & Partial Termination.** Fleet hereby consents to the sale of the Unit by Helm. Fleet hereby forever terminates any and all liens and security interests in the Unit granted to it under the Security Agreement. Such liens and security interests in the Unit shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of Fleet's right, title and interest in and to the Unit shall be null and void.

This Partial Termination shall have no effect on Fleet's lien and security interest in any other Collateral other than the Unit and said lien and security interest in such other Collateral is hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

FLEET NATIONAL BANK, as Agent

By: _____

Print Name: _____

Its: _____

ROBERT S. ALLEN
GROUP MANAGER

RECORDATION NO. 23168-Y FILED

AUG 3 '01 12-30 PM

SURFACE TRANSPORTATION BOARD

STATE OF MASSACHUSETTS)

) S.S.

COUNTY OF Jefferson

On 5/15/01, 2001, before me, Caryn Suffredini, personally appeared ~~Robert S. Allen~~ Robert S. Allen, Group Manager of **FLEET NATIONAL BANK**

1 personally known to me -OR-

_____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

S. S. M.
SIGNATURE OF THE NOTARY

SIGNATURE OF THE NOTARY

Commission exp. 11/27/03

[Notarial Seal]

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of May 9, 2001

THE UNIT

Equipment Description: One (1), 100-ton open top hopper railcar with ballast gates. Built in 1975-76 and rebuilt in 1999.

Reporting Mark: KCS 211245